

Message Text

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ACTION EUR-08

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FM AMEMBASSY WARSAW

TO SECSTATE WASHDC IMMEDIATE 7434

C O N F I D E N T I A L WARSAW 8138

LIMDIS

DEPT PLEASE PASS EXIMBANK FOR RAYMOND J. ALBRIGHT.

E.O. 11652: GDS

TAGS: EFIN, EGEN, PL

SUBJECT: PROPOSED VISIT TO WARSAW OF EXIMBANK TEAM; BANK HANDLOWY
REPORT THAT EXIMBANK HAS SAID POLAND IS ABOUT TO RESCHEDULE

REF: STATE 23189

1. EMBASSY WELCOMES PROPOSED VISIT OF EXIMBANK TEAM TO
WARSAW DURING WEEK OF NOVEMBER 12. VISIT WILL BE PARTI-
CULARLY TIMELY BECAUSE OF FOLLOWING DEVELOPMENT WHICH HAS
JUST BROKEN AS REFTEL RECEIVED.

2. DURING CONVERSATION MORNING OF SEPTEMBER 13, BANK
HANDLOWY DEPUTY DIRECTOR ANDRZEJ TREUMANN TOLD EMBASSY
E/C COUNSELOR THAT BANK HANDLOWY IS VERY MUCH CONCERNED BY
COMMENTS REPORTEDLY MADE BY EXIMBANK ALLEGING PROBABLY
RESCHEDULING OF POLISH DEBT. SPECIFICALLY, TREUMANN SAID
THAT FLUOR CORPORATION EXECUTIVES RECENTLY IN WARSAW HAD
TOLD HANDLOWY THAT JOSEPH FLEIG OF EXIMBANK HAD TOLD THEM
THAT DR. WITOLD BEIN, PRESIDENT OF THE NATIONAL BANK
OF POLAND, HAD SAID THAT POLAND WOULD SOON BE RESCHED-
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ULING ITS EXTERNAL DEBT. ON FURTHER QUESTIONING, TREUMANN
READ FROM A MEMCON BETWEEN HANDLOWY OFFICIALS AND PETER
PRATER, PRESIDENT OF THE FLUOR SUBSIDIARY, CHEMEX, AND
GEORGE DEMBINSKI, DIRECTOR OF EAST EUROPEAN AFFAIRS,
FLUOR EUROPE. IN THIS MEMCON, THE FLUOR OFFICIALS ARE
REPORTED TO HAVE
QUOTED FLIEG AS SAYING THAT IT WAS EXIMBANK'S UNDERSTANDING

FROM A RECENT CONVERSATION WITH DR. BEIN THAT POLAND WOULD SOON BE RESCHEDULING ITS EXTERNAL DEBT.

3. TREUMANN ADDED THAT TWO DAYS AGO HANDLOWY RECEIVED A TELEGRAM FROM EXIMBANK STATING THAT IT WOULD NOT SUPPORT ANY APPLICATIONS FROM EXIM CREDITS BY MUS FIRMS FOR THE PILA ARTICIIL FIBERS PLANT. NO EXPLANATION HAD BEEN GIVEN. TREUMANN NOTED THAT THE POLISH GOVERNMENT APPROVED CONSTRUCTION OF THIS PROJECT ABOUT TWO WEEKS AGO.

4. ON THE EVENING OF SEPTEMBER 12, AN EMBASSY OFFICER HAD DINNER WITH TURHAN TIRANA, A VISITING REPRESENTATIVE OF PITTSBURGH NATIONAL BANK. TIRANA SAID EXIMBANK "APPREARS TO BE VERY NEGATIVE ON POLAND" AND EXPRESSED CONSIDERABLE NERVOUSNESS REGARDING THE POLISH DEBT SITUATION. HE WAS ACCOMPANIED BY FRANK SHARRY AN OFFICER OF US STEEL, NOW VISITING WARSAW IN CONNECTION WITH BIDDING ON A COLD ROLLING MILL PROJECT AT KATOWICE.

5. IN THE CONVERSATION WITH TREUMANN, EMBASSY E/C COUNSELOR SAID HE HAD READ A MEMCON OF EXIM'S MEETING WITH BIEN (RECEIVED HERE UNCLASSIFIED SEPTEMBER 11) AND HAD NOTED NO STATEMENT BY BEIN THAT RESCHEDULING WOULD TAKE PLACE OR WAS EVEN BEING CONSIDERED. ON THE CONTRARY, BIEN HAD STRESSED THAT POLAND PAYS ITS DEBTS ON TIME. AND IT IS DOING ITS BEST TO HOLD DOWN ON
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IMPORTS AND INCREASE HARD CURRENCY EXPORTS.

6. COMMENT: EMBASSY IS CONCERNED THAT RUMORS MAY BE SPREADING IN FINANCIAL WORLD THAT EXIMBANK HAS VIRTUALLY BLACK-LISTED POLAND. THIS WOULD, OF COURSE, BE SERIOUS, EXPECIALLY COMING IN WAKE OF RECENTLY RELEASED CIA REPORT WHICH SEEMS TO HAVE ATTRACTED MINIMAL ATTENTION BUT IS STILL OCCASIONALLY MENTIONED BY WESTERN VISITORS HERE.
END COMMENT.

7. ACTION REQUESTED. THE EMBASSY WOULD APPRECIATE GUIDANCE FROM THE DEPARTMENT AND EXIM BANK ON WHAT WE SHOULD SAY TO HANDLOWY OFFICIALS TO COUNTERACT FLUOR COMMENTS. THIS INFORMATION SHOULD BE AVAILABLE AS SOON AS POSSIBLE AND IN ANY EVENT NO LATER THAN COB WARSAW TIME, THURSDAY, SEPTEMBER 14. WE BELIEVE THAT ANY SIGNIFICANT DELAY MAY BE INTERPRETED AS CONFIRMATION THAT EXIM ACTUALLY HAS BEEN SUGGESTING THAT POLAND IS ABOUT TO RESCHEDULE. WE WOULD ALSO APPRECIATE EUR/EE ASSISTANCE IN EXPEDITING DELIVERY OF THIS TELEGRAM TO EXIM BANK.
SCHAUFEELE

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